



ARIZONA HOUSE OF REPRESENTATIVES

HB 2153: campaign finance; nonprofits; disclosure

PRIME SPONSOR: Representative Leach, LD 11

BILL STATUS: [Caucus & COW](#)

FPRPP: DP 6-3-0-0

Legend:

IRC – Internal Revenue Code

IRS – Internal Revenue Service

PAC – political action committee

Amendments – **BOLD** and ~~Stricken~~ (Committee)

Abstract

Relating to regulation and registration of tax exempt entities as PACs.

Provisions

1. Prohibits the filing officer, enforcement officer or other officer in charge of a political subdivision from requiring an entity that claims tax exempt status as an IRS 501(a) organization and remains in good standing with the IRS from:
 - a. Registering or filing as a PAC;
 - b. Reporting or otherwise disclosing personally identifying information relating to individuals who have made contributions to that entity;
 - c. Disclosing its Schedule B, Form 990, which outlines certain information required by the IRC; or
 - d. Submitting to an audit or subpoena or producing evidence regarding a potential campaign finance violation. (Sec. 1)
2. Removes the requirement that the filing officer make a rebuttable presumption that an entity is organized for the primary purpose of influencing an election if the entity made a contribution and was not registered with the Corporation Commission if required by law. (Sec. 1)
3. Makes technical and conforming changes. (Sec. 1)

Current Law

An entity is required to register as a PAC if the entity is organized for the primary purpose of influencing the result of an election and the entity knowingly receives contributions or makes expenditures of at least \$1,100 (A.R.S. §§ [16-905](#) & [16-931](#)). The filing officer is required to make a rebuttable presumption that the entity is organized for the primary purpose of influencing an election if the entity:

- Claims tax exempt status but has not filed certain forms required by the IRS before making a contribution or expenditure, except if the entity is a religious organization;
- Made a contribution and at the time had its tax-exempt status revoked by the IRS; or
- Made a contribution and was not registered with the Corporation Commission, if required by law or was registered with the Corporation Commission, but was not in good standing ([A.R.S. § 16-905](#)).

Additional Information

Tax-exempt 501(a) organizations include 501(c) nonprofit organization, 501(d) religious and apostolic organizations and 401(a) pension, profit sharing and stock bonus plans (IRC §§ [401](#) & [501](#)). Most 501(a) organizations are required to file IRS Form 990 in order to specify gross income, receipts and disbursements and other information necessary for carrying out internal revenue laws ([IRC § 6033](#)).

☐ Prop 105 (45 votes)

☐ Prop 108 (40 votes)

☐ Emergency (40 votes)

☐ Fiscal Note